



WILDCAT SILVER CORPORATION

Condensed Consolidated Interim Financial Statements

For the Three Months Ended March 31, 2013

Notice to Reader

These unaudited condensed consolidated interim financial statements have been prepared by management and have not been reviewed by the Company's auditors.

Wildcat Silver Corporation

Condensed Consolidated Interim Statements of Financial Position (Unaudited – in U.S. dollars)

	March 31, 2013	December 31, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 471,592	\$ 1,136,193
Accounts receivable	121,081	310,891
Prepays and other	216,334	132,704
	<u>809,007</u>	<u>1,579,788</u>
Due from related party (note 4)	1,435,000	1,427,000
Investment in marketable securities (note 11)	128,003	180,923
Property, plant and equipment	96,547	104,358
Other assets (note 8)	90,821	92,710
Mineral properties (note 5)	26,682,786	26,682,786
Exploration and evaluation expenditures (note 5)	34,089,789	31,716,967
	<u>\$ 63,331,953</u>	<u>\$ 61,784,532</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 3,637,149	\$ 2,536,708
Due to related parties (note 8)	17,405	8,559
Loan payable (note 11)	984,640	-
Total liabilities	<u>4,639,194</u>	<u>2,545,267</u>
Equity		
Equity attributable to shareholders of the Company:		
Common shares	75,478,222	75,478,222
Reserves	5,017,958	4,580,510
Deficit	(25,537,036)	(24,428,808)
	<u>54,959,144</u>	<u>55,629,924</u>
Non-controlling interest (note 4)	3,733,615	3,609,341
Total equity	<u>58,692,759</u>	<u>59,239,265</u>
	<u>\$ 63,331,953</u>	<u>\$ 61,784,532</u>

Nature of operations (note 1)

Subsequent event (note 11)

APPROVED BY THE DIRECTORS

/s/ Robert P. Wares

Robert P. Wares – Director

/s/ Richard W. Warke

Richard W. Warke – Director

May 14, 2013

See accompanying notes to the condensed consolidated interim financial statements.

Wildcat Silver Corporation

Condensed Consolidated Interim Statements of Comprehensive Loss (Unaudited – in U.S. dollars)

	Three months ended March 31,	
	2013	2012
Expenses:		
Stock based compensation	\$ 156,653	\$ 535,879
Salaries and benefits	437,734	410,045
Filing and regulatory	19,834	19,671
Office and administrative	69,627	92,883
Professional services	51,328	51,541
Investor relations	49,900	26,470
Insurance	18,971	20,180
Legal	7,667	2,783
Travel	4,265	544
Fiscal and advisory services	2,159	2,674
Directors' fees	2,727	2,747
Interest and finance charges	3,403	1,826
Depreciation	2,476	1,716
Foreign exchange (gain) loss	(2,743)	171,142
Interest and other income	(1,073)	(19,023)
Impairment of marketable securities (note 11)	289,454	-
Net loss	(1,112,382)	(1,321,078)
Other comprehensive loss (income):		
Unrealized loss on marketable securities	-	29,967
Impairment of marketable securities transferred to the income statement (note 11)	(239,866)	-
Foreign currency translation gain	19,536	(237,548)
	220,330	207,581
Comprehensive loss	\$ (892,052)	\$ (1,113,497)
Net loss attributable to:		
Shareholders of the Company	\$ (1,108,228)	\$ (1,315,610)
Non-controlling interest	(4,154)	(5,468)
	\$ (1,112,382)	\$ (1,321,078)
Comprehensive loss attributable to:		
Shareholders of the Company	\$ (887,898)	\$ (1,108,029)
Non-controlling interest	(4,154)	(5,468)
	\$ (892,052)	\$ (1,113,497)
Basic and diluted net loss per share attributable to shareholders of the Company	\$ (0.008)	\$ (0.010)
Weighted average number of shares outstanding	132,627,251	131,757,585

See accompanying notes to the condensed consolidated interim financial statements.

Wildcat Silver Corporation

Condensed Consolidated Interim Statements of Changes in Equity (Unaudited – in U.S. dollars)

	Share Capital		Reserves				Non-controlling interest	Total equity
	Number of Shares	Amount	Accumulated other comprehensive income	Options and warrants	Total	Deficit		
Balance, January 1, 2013	132,627,251	\$ 75,478,222	\$ (642,867)	\$ 5,223,377	\$ 4,580,510	\$ (24,428,808)	\$ 3,609,341	\$ 59,239,265
Stock based compensation expense	-	-	-	156,653	156,653	-	-	156,653
Stock based compensation applied to exploration and evaluation expenditures	-	-	-	60,465	60,465	-	-	60,465
Required contributions for project costs (note 4)	-	-	-	-	-	-	128,428	128,428
Comprehensive loss	-	-	220,330	-	220,330	(1,108,228)	(4,154)	(892,052)
Balance, March 31, 2013	132,627,251	\$ 75,478,222	\$ (422,537)	\$ 5,440,495	\$ 5,017,958	\$ (25,537,036)	\$ 3,733,615	\$ 58,692,759

See accompanying notes to the condensed consolidated interim financial statements.

Wildcat Silver Corporation

Condensed Consolidated Interim Statements of Changes in Equity (Unaudited – in U.S. dollars)

	Share Capital		Reserves				Non-controlling interest	Total equity
	Number of Shares	Amount	Accumulated other comprehensive income	Options and warrants	Total	Deficit		
Balance, January 1, 2012	131,751,798	\$ 74,695,934	\$ (761,828)	\$ 4,249,400	\$ 3,487,572	\$ (20,070,779)	\$ 2,536,462	\$ 60,649,189
Stock based compensation expense	-	-	-	535,879	535,879	-	-	535,879
Stock based compensation applied to exploration and evaluation expenditures	-	-	-	113,183	113,183	-	-	113,183
Issued on exercise of stock options	13,333	6,483	-	-	-	-	-	6,483
Share issue costs	-	(4,059)	-	-	-	-	-	(4,059)
Fair value of stock options exercised	-	5,305	-	(5,305)	(5,305)	-	-	-
Required contributions for project costs (note 4)	-	-	-	-	-	-	413,310	413,310
Comprehensive loss	-	-	207,581	-	207,581	(1,315,610)	(5,468)	(1,113,497)
Balance, March 31, 2012	131,765,131	\$ 74,703,663	\$ (554,247)	\$ 4,893,157	\$ 4,338,910	\$ (21,386,389)	\$ 2,944,304	\$ 60,600,488

See accompanying notes to the condensed consolidated interim financial statements.

Wildcat Silver Corporation

Condensed Consolidated Interim Statements of Cash Flows (Unaudited – in U.S. dollars)

	Three months ended March 31,	
	2013	2012
Cash provided by (used in):		
Operating activities:		
Net loss	\$ (1,112,382)	\$ (1,321,078)
Items not affecting cash:		
Stock based compensation	156,653	535,879
Unrealized foreign exchange (gain) loss	4,909	175,021
Impairment of marketable securities	289,454	-
Depreciation	2,476	1,716
	<u>(658,890)</u>	<u>(608,462)</u>
Net changes in non-cash working capital items:		
Accounts receivable	162,169	7,192
Prepaid and other	(83,630)	(6,417)
Accounts payable and accrued liabilities	219,995	(71,018)
Due to related parties	8,846	61,572
	<u>(351,510)</u>	<u>(617,133)</u>
Financing activities:		
Exercise of share warrants and options	-	6,483
Contributions from non-controlling interest	156,069	253,421
Other	-	(4,059)
Loan payable	973,331	-
	<u>1,129,400</u>	<u>255,845</u>
Investing activities:		
Purchase of property, plant and equipment	-	(24,169)
Other assets	-	(1,995)
Additions to exploration and evaluation expenditures	(1,434,632)	(4,470,256)
	<u>(1,434,632)</u>	<u>(4,496,420)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(7,859)</u>	<u>56,752</u>
Increase (decrease) in cash and cash equivalents	(664,601)	(4,800,956)
Cash and cash equivalents, beginning of period	<u>1,136,193</u>	<u>13,885,594</u>
Cash and cash equivalents, end of period	<u>\$ 471,592</u>	<u>\$ 9,084,638</u>
Supplementary information:		
Cash and cash equivalents, end of period comprise:		
Cash and balances with banks	\$ 437,553	\$ 106,439
Short-term investments	34,039	8,978,199
	<u>\$ 471,592</u>	<u>\$ 9,084,638</u>
Change in accounts payable as a result of investing activities	\$ 872,446	\$ (565,993)

See accompanying notes to the condensed consolidated interim financial statements.

Wildcat Silver Corporation

Notes to Condensed Consolidated Interim Financial Statements
For the Three Months Ended March 31, 2013
(Unaudited – in U.S. dollars unless otherwise noted)

1. Nature of Operations

Wildcat Silver Corporation (the “Company” or “Wildcat”) is incorporated in British Columbia, Canada and holds a majority ownership interest in the Hermosa property in Arizona, United States, through its ownership of 80% of the common shares of Arizona Minerals Inc. (“Arizona Minerals”), the holder of the property. The remaining 20% of the common shares of Arizona Minerals are held by 5348 Investments Ltd. (“5348 Investments”), a wholly-owned subsidiary of Diamond Hill Investment Corp. (“Diamond Hill”). Diamond Hill, a private British Columbia company controlled by a director of the Company, also holds a 2% net smelter royalty interest in the Hermosa property. The Company’s registered office is located at Suite 600-837 West Hastings Street, Vancouver, British Columbia, V6C 3N6 and its shares are listed on the Toronto Stock Exchange.

The Company is engaged in mineral exploration and is considered to be an exploration stage enterprise as it has yet to generate revenue from operations. The Company is in the process of exploring its mineral resource properties and has not yet determined whether its mineral resource property interests contain reserves that are economically recoverable. The amounts shown as mineral properties and exploration and evaluation expenditures represent acquisition and exploration costs and do not necessarily represent present or future values. Recoverability of the amounts shown for mineral properties and exploration and evaluation expenditures is dependent upon the discovery of economically recoverable mineral reserves, maintaining title and beneficial interest in the properties, the ability of the Company to obtain financing necessary to complete the exploration and development of its mineral properties, and on future profitable production or proceeds from the disposition of the mineral properties. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company’s title.

At March 31, 2013 the Company had cash and cash equivalents of \$471,592 and accounts payable and accrued liabilities of \$1,883,230 excluding the provision for reclamation and restoration and estimated withholding taxes. Following the closing of the Riva acquisition the Company received approximately C\$6.9 million in cash and eliminated the liability for the loan from Riva of C\$1.0 million (see Note 11). The Company is in the process of updating its cash forecast for the balance of 2013 and 2014 but anticipates that its cash on-hand following the acquisition will be sufficient to cover non-discretionary spending into mid-2014. The extent and timing of discretionary spending on the Hermosa project will determine whether the Company will need additional funding during that timeframe.

2. Basis of Presentation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). Accordingly, they do not include all of the information and notes to the consolidated financial statements required by IFRS for complete financial statements and should be read in conjunction with the Company’s most recent audited consolidated financial statements. These unaudited condensed consolidated interim financial statements follow the same accounting policies and methods of application used in the Company’s audited consolidated financial statements as at and for the year ended December 31, 2012. The Board of Directors authorized these financial statements for issuance on May 14, 2013.

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Notes to Condensed Consolidated Interim Financial Statements
For the Three Months Ended March 31, 2013
(Unaudited – in U.S. dollars unless otherwise noted)

3. Changes in Accounting Policies

Certain new standards, interpretations and amendments to existing standards have been issued by the International Accounting Standards Board (IASB) or International Financial Reporting Interpretations Committee (IFRIC) that are mandatory for accounting periods beginning on or after January 1, 2013, except for IFRS 9, which has now been extended to periods on or after January 1, 2015. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

- IFRS 9, *Financial Instruments: Classification and Measurement* is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss. The Company has not yet assessed the impact of this standard on its financial reporting.
- IFRS 10, *Consolidated Financial Statements* builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company and provides additional guidance where it is difficult to assess. IFRS 10 replaces the consolidated requirements in SIC-12, *Consolidated-Special Purpose Entities*, and IAS 27, *Consolidated and Separate Financial Statements*. The Company determined that the adoption of IFRS 10 did not result in any change in the consolidation status of its subsidiary.
- IFRS 11, *Joint Arrangements* provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. IFRS 11 supersedes IAS 31, *Interests in Joint Ventures* and SIC-13, *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. The Company has determined that the adoption of IFRS 11 did not result in any changes in the disclosure in its financial statements.
- IFRS 12, *Disclosures of Interest in Other Entities* provides the disclosure requirements for all forms of interests in other entities, including subsidiaries, joint agreements, associates and consolidated structured entities. This standard will require additional disclosures by the Company with respect to its 80% owned subsidiary, Arizona Minerals, primarily as a result of the 20% non-controlling interest. The Company adopted IFRS 12 effective January 1, 2013. The adoption of IFRS 12 will result in incremental disclosures in our annual consolidated financial statements.
- IFRS 13, *Fair Value Measurement* provides a single source of guidance on how to measure fair value where its use is already required or permitted by other IFRS and enhances disclosure requirements for information about fair value measurements. The Company assessed its financial instruments on January 1, 2013 and determined that the adoption of IFRS 13 did not result in any significant changes in the disclosure of its financial statements.

4. Non-Controlling Interest

Non-controlling interest represents the 20% interest in the common shares of Arizona Minerals held by 5348 Investments, a wholly-owned subsidiary of Diamond Hill.

Pursuant to a shareholders' agreement (the "Shareholders' Agreement") governing the affairs of Arizona Minerals, the Company controls the affairs of Arizona Minerals and acts as the operator of

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Notes to Condensed Consolidated Interim Financial Statements

For the Three Months Ended March 31, 2013

(Unaudited – in U.S. dollars unless otherwise noted)

the Hermosa property. Funding expenditures on the property are in accordance with the Shareholders' Agreement, which provides 5348 Investments with a 10% carried interest. The Shareholders' Agreement provides for dilution of 5348 Investments' equity interest in the event it fails to fund its share of any equity funding for approved programs. Accounts receivable includes \$92,810 (December 31, 2012 – \$120,451) outstanding from 5348 Investments, which were subsequently received by the Company.

The Company acquired its 80% interest in the common shares of Arizona Minerals from Diamond Hill in May 2006. Based on the purchase consideration and related tax filings, at March 31, 2013, the Company has an estimated withholding tax obligation with respect to the acquisition of \$1,435,000 (December 31, 2012 – \$1,427,000), including penalties and interest, which has been included in accounts payable and accrued liabilities. Diamond Hill and 5348 Investments have provided indemnification to the Company in the event the Company is required to pay the withholding tax, which is secured against 5348 Investments' 20% ownership interest in Arizona Minerals. As a consequence of the indemnification the Company has recorded an amount due from related party for \$1,435,000 (December 31, 2012 – \$1,427,000).

5. Mineral Properties and Exploration and Evaluation Expenditures

Mineral properties and exploration and evaluation expenditures relate to the Company's interest in the Hermosa property, in Arizona, United States. Mineral properties represent the acquisition cost of the Hermosa property in 2006.

The following is a summary of changes in exploration and evaluation expenditures:

	Three months ended March 31, 2013	Year ended December 31, 2012
Balance, start of period	\$ 31,716,967	\$ 20,837,981
Additions:		
Drilling	-	1,631,903
Drill access and restoration	59,617	1,764,808
Assay and analysis	4,789	851,589
Salaries, benefits and stock based compensation	499,958	1,101,568
Geologic consulting and support	252,792	1,061,200
Engineering and metallurgy	1,092,208	2,623,400
Environmental baseline studies	334,798	951,645
Other	128,660	892,873
Subtotal	2,372,822	10,878,986
Balance, end of period	\$ 34,089,789	\$ 31,716,967

6. Accounts payable and accrued liabilities

	March 31, 2013	December 31, 2012
Trade payables	\$ 951,449	\$ 654,231
Accrued liabilities (Note 4)	2,366,781	1,456,777
Reclamation and restoration provision	318,919	425,700
	\$ 3,637,149	\$ 2,536,708

Wildcat Silver Corporation

Notes to Condensed Consolidated Interim Financial Statements
For the Three Months Ended March 31, 2013
(Unaudited – in U.S. dollars unless otherwise noted)

7. Stock Options

For the three months ended March 31, 2013 the Company recognized a stock-based compensation charge against income of \$156,653 (March 31, 2012 – \$535,879) and a further \$60,465 (March 31, 2012 – \$113,183) was capitalized to exploration and evaluation expenditures.

The following table shows the change in the Company's stock options during the three months ended March 31, 2013:

	Number of Options	Weighted Average Exercise Price (in CAD)
Balance, start of period	6,924,500	\$0.78
Granted	685,000	\$0.67
Balance, end of period	<u>7,609,500</u>	<u>\$0.77</u>

On March 14, 2013, 685,000 stock options with an exercise price of \$0.67 per share were granted to the independent directors, officer and employees of the Company. The fair value of the options was estimated using the Black-Scholes option-pricing model. The assumptions used in the pricing model were: an expected life of 5 years; annualized volatility of 107%; a risk free interest rate of 1.4%; and zero expected dividend yield.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in assumptions can significantly affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

8. Related Party Transactions

In addition to the related party transactions or balances disclosed elsewhere in these condensed consolidated interim financial statements, the Company had the following related party transactions.

The Company shares office space, equipment, personnel and various administrative services with other companies related by virtue of certain common directors and management. These services have been mainly provided through a management company equally owned by the related companies. Costs incurred by the management company are allocated between the related companies based on time incurred and use of services and are charged at cost. In addition, certain other professional administrative services have been provided by other related companies and charged at cost. During the three months ended March 31, 2013 the Company was charged \$325,871 (March 31, 2012 – \$418,088) and charged out \$nil (March 31, 2012 – \$4,434) in connection with these arrangements. Included in these amounts is \$16,396 (March 31, 2012 – \$30,374) with respect to office space owned by Diamond Hill. At March 31, 2013, accounts receivable includes a balance due from related companies of \$96 (December 31, 2012 – \$49,921) and there is an amount due to related companies of \$17,405 (December 31, 2012 – \$8,559) with respect to these arrangements. Amounts are due on demand, unsecured, and have no terms of repayment.

Other assets of \$90,821 (December 31, 2012 – \$92,710) relate to the Company's share of jointly owned assets held by the management company.

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Notes to Condensed Consolidated Interim Financial Statements
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(Unaudited – in U.S. dollars unless otherwise noted)

9. Commitments

The Company is committed to payments under operating leases for building and other commitments through 2018 in the total amount of approximately \$1,196,300. Annual payments are:

2013	171,200
2014	239,800
2015	230,200
2016	203,400
2017 and thereafter	351,700

10. Segment Information

The Company operates in one industry segment, being mineral exploration and development. Geographic information is as follows:

	United States	Canada	Total
Long-term assets as at:			
March 31, 2013	\$ 60,866,749	\$ 1,656,197	\$ 62,522,946
December 31, 2012	\$ 58,501,148	\$ 1,703,596	\$ 60,204,744

11. Subsequent Event

On May 6, 2013, the Company closed its previously announced acquisition of all of the outstanding common shares of Riva Gold Corporation (“Riva”). Riva is a Canadian-based mineral exploration company that had been assessing strategic alternatives and evaluating potential opportunities and currently has a cash balance of approximately C\$6.9 million and a loan receivable from the Company of C\$1.0 million. Riva does not hold any mineral properties. Consideration for the acquisition consists of 9.9 million common shares of the Company based on the agreed share exchange ratio of one common share of Wildcat for each 4.7 Riva common shares.

As a consequence of the acquisition of Riva, the Company recorded an unrealized permanent impairment loss of \$49,588 in the income statement in the three months ended March 31, 2013 with respect to the mark-to-market of the one million Riva shares the Company still holds. The Company also transferred the unrealized loss of \$239,866 previously recorded in accumulated other comprehensive loss to the income statement. The market value of the Riva shares at March 31, 2013 was \$128,003.

The loan from Riva of C\$1.0 million was received in March 2013 following the announcement of the acquisition. The loan is secured against the Company’s investment in the shares of Arizona Minerals, bears interest at the Bank of Montreal’s prime lending rate plus 4% and matures on December 31, 2013. Following the closing of the acquisition the loan will eliminate on the consolidation of Riva with the Company.